



TRICO
ELECTRIC COOPERATIVE, INC.



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A Touchstone Energy® Cooperative



April 5, 2012

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Phoenix, Arizona 85007

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Re: TIER and DSC Report Per Docket: E-01461A-07-0433, Decision No. 70399

Please find the enclosed summary report titled Trico Electric Cooperative ("Trico") RUS FORM 7 2011 Audited Financials December 31, 2011 Compliance Report Decision No. 70399 and copies of the final year-end audit report.

Trico is filing this report to comply with Decision 70399 to show that Trico meets the required TIER and DSC ratios following 2011's debt issuance.

The summary report shows that Trico's Operating TIER meets the 1.25 ratio that the Commission required in its decision by earning a 1.58 TIER for year-end 2011. Trico also met the required Operating DSC requirement of 1.25 by earning a 1.70 Operating DSC for year-end 2011.

Please contact me at the information below if you have any questions.

Sincerely,

Caroline Gardiner
Manager, Finance and Administration
Trico Electric Cooperative, Inc.
520-744-2944 x 1321

Attachment

TRICO Electric Cooperative, Inc.
RUS FORM 7 2011 Audited Financials
December 31, 2011
Compliance Report Decision 70399

	2011	2010
REVENUE		
1 Operating Revenue and Patronage Capital	\$ 87,833,657	\$ 92,786,255
COST OF POWER		
2 Cost of Purchased Power-AEPCO	\$ 44,054,709	\$ 52,058,977
3 Cost of Purchased Power- SWT	\$ 9,824,679	\$ 7,667,728
4 Cost of Solar Generation System	\$ 10,707	\$ 20,429
5 Total Fuel Costs	<u>\$ 53,890,095</u>	<u>\$ 59,747,134</u>
6 Total Fuel as a Percentage of Sales	61%	64%
7 Gross Margin (Revenue-Fuel Costs)	<u>\$ 33,943,562</u>	<u>\$ 33,039,121</u>
8 Gross Margin as a Percentage of Sales	39%	36%
TRICO DISTRIBUTION COSTS		
9 Power Production	\$ 14,479	\$ -
10 Transmission Expense	\$ 45,713	\$ 309,260
11 Distribution Expense - Operations	\$ 6,558,261	\$ 6,221,256
12 Distribution Expense - Maintenance	\$ 1,643,552	\$ 1,665,111
13 Customer Accounts Expense	\$ 2,669,470	\$ 2,838,200
14 Customer Service & Information Expense	\$ 428,874	\$ 395,756
15 Sales Expense	\$ 328,372	\$ 302,078
16 Administrative & General Expense	\$ 5,026,378	\$ 4,640,301
17 Total Trico Variable Operating Expenses	<u>\$ 16,715,099</u>	<u>\$ 16,371,962</u>
18 Distribution Margin (Gross Margin- Distribution Costs)	<u>\$ 17,228,463</u>	<u>\$ 16,667,159</u>
19 Distribution Margin Percentage of Sales	20%	18%
FIXED OPERATING EXPENSES		
20 Depreciation & Amortization Expense	\$ 6,383,400	\$ 6,445,508
21 Tax Expense - Property & Gross Receipts	\$ -	\$ -
22 Tax Expense - Other	\$ (113)	\$ (451)
23 Interest on Long-Term Debt	\$ 6,281,573	\$ 6,492,483
24 Interest Charged to Construction - Credit	\$ -	\$ -
25 Interest Expense - Other	\$ 31,490	\$ 4,778
26 Other Deductions	\$ 891,065	\$ 255,811
27 Total Fixed Operating Expenses	<u>\$ 13,587,415</u>	<u>\$ 13,198,129</u>
28 Fixed Operating Expense as a Percentage of Sales	15%	14%
29 Total Costs of Electric Service	<u>\$ 84,192,609</u>	<u>\$ 89,317,225</u>
30 Total Costs as a Percentage of Sales	96%	96%
31 Patronage Capital & Operating Margins	<u>\$ 3,641,048</u>	<u>\$ 3,469,030</u>
32 Patronage Capital & Operating Margins as a % of Sales	4%	4%
33 Non-Operating Margins - Interest	\$ 78,572	\$ 102,930
34 Allowance for Funds Used During Construction	\$ -	\$ -
35 Income (Loss) from Equity Investments	\$ -	\$ -
36 Non-Operating Margins - Other	\$ 121,444	\$ 70,879
37 Generation and Transmission Capital Credits	\$ 2,955,491	\$ 2,361,462
38 Other Capital Credits & Patronage Dividends	\$ 105,590	\$ 100,253
39 Other Patronage Capital & Non-Operating Margins	<u>\$ 3,261,097</u>	<u>\$ 2,635,524</u>
40 Patronage Capital or Margins	<u>\$ 6,902,145</u>	<u>\$ 6,104,554</u>
41 Operating TIER Ratio	1.58	1.53
42 Non Operating TIER Ratio	2.10	1.94
43 Operating Debt Service Coverage Ratio	1.70	1.72

TRICO Electric Cooperative, Inc.
Accountants' Reports and Financial Statements
December 31, 2011 and 2010



TRICO Electric Cooperative, Inc.

December 31, 2011 and 2010

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Independent Accountants' Report on Financial Statements

Board of Directors
TRICO Electric Cooperative, Inc.
Marana, Arizona

We have audited the accompanying balance sheet of TRICO Electric Cooperative, Inc. (the Cooperative) as of December 31, 2011, and the related statements of margins and patronage capital and cash flows for the year then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Cooperative as of and for the year ended December 31, 2010, were audited by other accountants whose report dated February 14, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of TRICO Electric Cooperative, Inc., as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated March 22, 2012, on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BKD, LLP

March 22, 2012

TRICO Electric Cooperative, Inc.

Balance Sheets

December 31, 2011 and 2010

Assets

	2011	2010
Utility Plant, at Cost		
Electric plant in service	\$ 213,745,576	\$ 210,182,370
Electric plant held for future use	166,341	198,972
Construction work in progress	6,975,871	4,620,242
	<u>220,887,788</u>	<u>215,001,584</u>
Less accumulated depreciation and amortization	<u>53,450,702</u>	<u>48,781,471</u>
	<u>167,437,086</u>	<u>166,220,113</u>
Investments, at Cost		
Investments in associated enterprises	27,975,577	24,803,425
Other investments	138,446	159,437
	<u>28,114,023</u>	<u>24,962,862</u>
Current Assets		
Cash	3,749,324	3,213,444
Temporary cash investments	-	2,500,000
Cash and cash equivalents	<u>3,749,324</u>	<u>5,713,444</u>
Accounts receivable, net of allowance; 2011 - \$497,313; 2010 - \$463,091	6,007,722	5,519,164
Power cost adjustment - underbilled	-	565,068
Materials and supplies	2,515,943	2,819,916
Other current and accrued assets	<u>2,244,452</u>	<u>901,777</u>
	<u>14,517,441</u>	<u>15,519,369</u>
Deferred Charges	<u>330,894</u>	<u>510,522</u>
Total assets	<u>\$ 210,399,444</u>	<u>\$ 207,212,866</u>

Equities and Liabilities

	2011	2010
Equities		
Patronage capital	\$ 60,306,697	\$ 54,925,734
Other equities	<u>6,787,121</u>	<u>6,777,159</u>
	<u>67,093,818</u>	<u>61,702,893</u>
Long-term Debt		
RUS mortgage notes less current maturities	79,752,130	107,704,992
FFB mortgage notes less current maturities	35,386,852	8,306,256
NRUCFC mortgage notes less current maturities	<u>7,878,316</u>	<u>8,336,800</u>
	<u>123,017,298</u>	<u>124,348,048</u>
Current Liabilities		
Current maturities of long-term debt	3,316,612	3,067,945
Accounts payable – purchased power	4,123,674	4,203,433
Accounts payable – other	1,177,008	1,506,390
Power cost adjustment – overbilled	151,635	-
Consumer deposits	1,390,898	1,283,318
Accrued taxes	1,523,259	1,447,067
Accrued interest	88,660	99,627
Accrued employee compensated absences	1,379,084	1,348,754
Other current and accrued liabilities	<u>341,780</u>	<u>316,821</u>
	<u>13,492,610</u>	<u>13,273,355</u>
Deferred Credits	<u>6,676,402</u>	<u>7,751,917</u>
Pension Reserves – Deferred Compensation	<u>119,316</u>	<u>136,653</u>
Total equities and liabilities	<u>\$ 210,399,444</u>	<u>\$ 207,212,866</u>

TRICO Electric Cooperative, Inc.
Statements of Margins and Patronage Capital
Years Ended December 31, 2011 and 2010

	Years Ended December 31,					
	2011		2010		Increase (Decrease)	
	Amount	%	Amount	%		
Operating Revenues						
Residential	\$ 58,470,799	66.6	\$ 62,092,759	66.9	\$ (3,621,960)	
Irrigation	107,425	0.1	127,732	0.1	(20,307)	
Commercial and industrial	28,270,520	32.2	28,364,197	30.6	(93,677)	
Public buildings and other authorities	90,048	0.1	74,945	0.1	15,103	
Sales for resale	116,241	0.1	895	0.0	115,346	
Power cost adjustment	(716,703)	(0.8)	681,924	0.7	(1,398,627)	
Rent from electric property	291,082	0.3	353,125	0.4	(62,043)	
Other electric revenue	1,204,244	1.4	1,090,678	1.2	113,566	
Total operating revenues	<u>87,833,656</u>	<u>100.0</u>	<u>92,786,255</u>	<u>100.0</u>	<u>(4,952,599)</u>	
Operating Expenses						
Purchased power	53,890,094	61.4	59,747,134	64.4	(5,857,040)	
Production power	14,479	0.0	-	0.0	14,479	
Transmission	45,713	0.1	309,260	0.3	(263,547)	
Distribution – operation	6,558,259	7.5	6,221,256	6.7	337,003	
Distribution – maintenance	1,643,551	1.9	1,665,111	1.8	(21,560)	
Customer accounts	2,669,470	3.0	2,838,200	3.1	(168,730)	
Customer service and information	757,246	0.9	697,834	0.8	59,412	
Administrative and general	5,026,377	5.7	4,640,301	5.0	386,076	
Depreciation	6,383,401	7.3	6,185,400	6.7	198,001	
Taxes	(113)	0.0	(401)	0.0	288	
Other interest	31,490	0.0	4,778	0.0	26,712	
Other deductions	891,065	1.0	515,869	0.6	375,196	
Total operating expenses	<u>77,911,032</u>	<u>88.7</u>	<u>82,824,742</u>	<u>89.3</u>	<u>(4,913,710)</u>	
Operating Margins Before Fixed Charges	<u>9,922,624</u>	<u>11.3</u>	<u>9,961,513</u>	<u>10.7</u>	<u>(38,889)</u>	
Fixed Charges						
Interest on long-term debt	<u>6,281,573</u>	<u>7.2</u>	<u>6,492,483</u>	<u>7.0</u>	<u>(210,910)</u>	
Operating Margins After Fixed Charges	<u>3,641,051</u>	<u>4.1</u>	<u>3,469,030</u>	<u>3.7</u>	<u>172,021</u>	
Capital credits	<u>3,061,081</u>	<u>3.5</u>	<u>2,461,716</u>	<u>2.7</u>	<u>599,365</u>	
Net Operating Margins	<u>6,702,132</u>	<u>7.6</u>	<u>5,930,746</u>	<u>6.4</u>	<u>771,386</u>	
Nonoperating Margins						
Interest income	78,572	0.1	102,930	0.1	(24,358)	
Other nonoperating income	121,444	0.1	70,879	0.1	50,565	
	<u>200,016</u>	<u>0.2</u>	<u>173,809</u>	<u>0.8</u>	<u>26,207</u>	
Net Margins	<u>6,902,148</u>	<u>7.9</u>	<u>6,104,555</u>	<u>6.6</u>	<u>\$ 797,593</u>	
Patronage Capital, Beginning of Year	54,925,734		49,825,171			
Patronage capital retired	<u>(1,521,185)</u>		<u>(1,003,992)</u>			
Patronage Capital, End of Year	<u>\$ 60,306,697</u>		<u>\$ 54,925,734</u>			

TRICO Electric Cooperative, Inc.

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Net margins	\$ 6,902,148	\$ 6,104,555
Items not requiring (providing) cash		
Depreciation	7,310,161	6,804,697
Capital credits	(3,061,081)	(2,461,716)
Changes in		
Accounts receivable, net	(488,558)	(545,948)
Deferred charges	179,628	29,609
Deferred credits	(1,092,852)	(399,568)
Inventories and other current assets	(1,038,702)	894,528
Payables and accrued expenses	438,237	893,263
Net cash provided by operating activities	<u>9,148,981</u>	<u>11,319,420</u>
Cash Flows from Investing Activities		
Additions to utility plant	(8,136,300)	(7,934,408)
Salvage value of retirements and other credits	24,131	288,764
Utility plant removal costs	(317,546)	(444,163)
Other property and investments	(90,080)	56,084
Net cash used in investing activities	<u>(8,519,795)</u>	<u>(8,033,723)</u>
Cash Flows from Financing Activities		
Advances on long-term debt from FFB	28,000,000	-
Principal payments on long-term debt to RUS	(28,400,525)	(2,369,191)
Principal payments on long-term debt to FFB	(224,872)	(60,485)
Principal payments on long-term debt to NRUCFC	(456,686)	(453,568)
Retirement of patronage capital	(1,521,185)	(1,003,992)
Other equities	9,962	5,014
Net cash used in financing activities	<u>(2,593,306)</u>	<u>(3,882,222)</u>
Decrease in Cash and Cash Equivalents	<u>(1,964,120)</u>	<u>(596,525)</u>
Cash and Cash Equivalents, Beginning of Year	<u>5,713,444</u>	<u>6,309,969</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,749,324</u>	<u>\$ 5,713,444</u>
Supplemental Cash Flows Information		
Interest paid	\$ 6,281,573	\$ 6,492,483
Utility plant purchases included in accounts payable	\$ 288,446	\$ 191,027

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

TRICO Electric Cooperative, Inc. (the Cooperative) is a non-profit company organized to provide electric service at the retail level to primarily residential and commercial accounts in a designated service area. Any revenues earned in excess of costs incurred are allocated to members of the Cooperative and are reflected as patronage capital equity in the balance sheet. The Cooperative's operating revenues are under the jurisdiction of the Arizona Corporation Commission. The Cooperative extends unsecured credit to its members for a limited amount of time.

System of Accounts

The accounting records of the Cooperative are maintained substantially in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission and modified for electric borrowers of the Rural Utilities Services (RUS), which does not differ materially from accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Cooperative considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010, cash equivalents consisted of short-term commercial paper with the Cooperative's power supplier. This short-term commercial paper will be used to off-set the next month's power bill and included as a temporary investment on the balance sheet. At December 31, 2010, the Cooperative had \$2,500,000 invested.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Accounts and Notes Receivable

Accounts receivable are stated at the amount billed to customers plus any accrued and unpaid interest. The Cooperative provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 15 days after the issuance of the invoice. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the member. The delinquent accounts deemed uncollectible are written off upon approval by the Board of the Directors.

Materials and Supplies

Materials and supplies are valued at moving average cost, which includes freight-in.

Materials and supplies consisted of the following at December 31:

	2011	2010
Construction materials and supplies	\$ 2,439,219	\$ 2,691,558
Transportation supplies	29,334	59,383
Fuel	47,390	68,975
	<u>\$ 2,515,943</u>	<u>\$ 2,819,916</u>

Utility Plant, Maintenance and Depreciation

Electric plant is stated at the original cost of construction, which includes the cost of contracted services, direct labor, materials and overhead items. Contributions from others toward the construction of electric plant are credited to the applicable plant accounts.

When property that represents a retirement unit is replaced or removed, the average cost of such property, as determined from the continuing property records, is credited to electric plant, and such cost, together with cost of removal less salvage, is charged to the accumulated provision for depreciation.

Maintenance and repairs, including the renewal of minor items of plant not comprising a retirement unit, are charged to the appropriate maintenance accounts, except repairs of transportation and service equipment, which are charged to clearing accounts and redistributed to operating expense and other accounts.

Investments

Investments in associated enterprises/equities are carried at cost, plus the Cooperative's share of the allocated equities, less patronage refunds and allocations. Revenue is recognized from the investment when the Cooperative is notified of their patronage allocation. In addition investments include the Cooperative's investments in capital term certificates. These investments are stated at cost.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Revenue Recognition

The Cooperative records electric revenues as billed to customers based upon meter readings obtained throughout the month. Cost of power is recognized in the month incurred. Revenue is not accrued for energy delivered and not billed at the end of the fiscal year. Total unbilled revenue at December 31, 2011 and 2010, was approximately \$3,340,000 and \$3,652,000, respectively.

The Cooperative's tariffs for electric service include a power cost recovery factor under which electric rates charged to customers are adjusted to reflect changes in the cost of power. In order to match power cost and related revenues, power cost to be billed in subsequent periods is recognized as accounts receivable and power cost billed in advance is deferred as a current liability. These amounts appear as the power cost adjustment on the statements of margins and patronage capital.

Income Tax Status

The Cooperative is exempt from federal income tax under IRS Section 501(c)(12). The state of Arizona recognizes this exemption for state income tax purposes.

The Cooperative files income tax returns in the federal and state jurisdictions. The Cooperative is no longer subject to federal and state income tax examinations by tax authorities for years before 2008.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statements of margins and patronage capital on a net basis.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on net margins.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the accompanying financial statements were available to be issued.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 2: Electric Plant

The major classes of electric plant are as follows:

	2011	2010
Intangible plant	\$ 1,180	\$ 1,180
Other production plant	257,567	-
Transmission plant	3,607,750	3,604,216
Distribution plant	189,048,777	186,397,215
General plant	20,830,302	20,179,759
Total electric plant in service	213,745,576	210,182,370
Electric plant held for future use	166,341	198,972
Construction work in progress	6,975,871	4,620,242
Total electric plant	<u>\$ 220,887,788</u>	<u>\$ 215,001,584</u>

All assets are pledged as security for the long-term debt to National Rural Utilities Cooperative Finance Corporation (NRUCFC), Rural Utilities Services (RUS) and Federal Financing Bank (FFB) (see Note 7).

Provision for depreciation of electric plant is computed using straight-line rates as follows:

Transmission plant	2.75%
Distribution plant	3.00%
Structures and improvements	2.00% – 7.00%
Office furniture and fixtures	5.00% – 50.00%
Transportation equipment	3.30% – 20.00%
Store equipment	5.00% – 10.00%
Tools, shop and garage equipment	4.00% – 33.33%
Laboratory equipment	5.00% – 20.00%
Power-operated equipment	5.00% – 33.00%
Communication equipment	5.00% – 33.33%
Miscellaneous general plant	5.00% – 20.00%

Depreciation for years ended December 31, 2011 and 2010, was \$7,310,161 and \$6,804,697 respectively, of which \$6,383,401 and \$6,185,400 was charged to depreciation expense, and \$926,760 and \$619,297 was allocated to other accounts.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 3: Investments in Associated Enterprises

Investments in associated enterprises consisted of the following as of December 31, 2011 and 2010:

	2011	2010
NRUCFC		
Capital term certificates	\$ 1,148,511	\$ 1,157,363
Patronage capital	418,221	390,425
Membership	1,000	1,000
Arizona Electric Power Cooperative, Inc.		
Patronage capital	24,642,362	21,999,988
Southwest Transmission Cooperative, Inc.		
Patronage capital	1,306,530	993,413
Other	458,953	261,236
	<u>\$ 27,975,577</u>	<u>\$ 24,803,425</u>

Note 4: Deferred Charges

Deferred charges consisted of the following at December 31:

	2011	2010
Preliminary survey and investigation charges	\$ 245,211	\$ 181,787
Rate case	64,967	162,437
Other	20,716	166,298
	<u>\$ 330,894</u>	<u>\$ 510,522</u>

Note 5: Patronage Capital

Patronage capital consisted of the following at December 31:

	2011	2010
Assigned	\$ 53,404,549	\$ 48,821,179
Assignable	6,902,148	6,104,555
Balance	<u>\$ 60,306,697</u>	<u>\$ 54,925,734</u>

The mortgages with NRUCFC, RUS and FFB contain provisions that must be met for the Cooperative to make patronage capital retirements. These provisions include minimum equity and debt service ratios. The Cooperative is in compliance with these provisions at December 31, 2011 and 2010. The Cooperative retired \$1,521,185 and \$1,003,992 of patronage capital during 2011 and 2010, respectively.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 6: Other Equities

	2011	2010
Retired capital credits – gain	\$ 219,455	\$ 209,494
Donated capital	4,484,682	4,484,682
Gain on sale of property	2,082,984	2,082,983
	<u>\$ 6,787,121</u>	<u>\$ 6,777,159</u>

Note 7: Mortgage Notes – NRUCFC, RUS and FFB

Long-term debt due to NRUCFC, RUS and FFB are represented by mortgage notes payable.
Following is a summary of mortgage notes payable:

	2011	2010
FFB – 2.55% to 4.36%	\$ 36,214,643	\$ 8,439,515
NRUCFC – 4.95% to 6.26%	8,336,800	8,793,486
RUS – 5.00%	81,782,467	110,182,992
	<u>126,333,910</u>	<u>127,415,993</u>
Less current maturities	<u>3,316,612</u>	<u>3,067,945</u>
	<u>\$ 123,017,298</u>	<u>\$ 124,348,048</u>

Aggregate annual maturities of long-term debt at December 31, 2011, are as follows:

2012	\$ 3,316,612
2013	3,417,090
2014	3,581,522
2015	3,663,436
2016	3,597,905
Thereafter	<u>108,757,345</u>
	<u>\$ 126,333,910</u>

As of December 31, 2011, the Cooperative has approximately \$47,479,000 in unadvanced loan funds with FFB.

Substantially all assets of the Cooperative are pledged as collateral to NRUCFC, RUS and FFB.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 8: Lines of Credit Agreements

The Cooperative has a \$13,000,000 and a \$25,000,000 revolving line of credit for short-term financing with NRUCFC at a variable interest rate with interest payable quarterly, which expire in 2012 and 2014, respectively. The lines are collateralized by substantially all of the Cooperative's assets. At December 31, 2011 and 2010, the interest rate was 3.20% and 4.25%, respectively. At December 31, 2011 and 2010, there was \$0 borrowed against these lines.

Note 9: Deferred Credits

Deferred credits consisted of the following at December 31:

	2011	2010
Advances for construction	\$ 6,293,601	\$ 7,505,573
Unclaimed patronage capital retirements	335,857	213,509
Other	46,944	32,835
	<u>\$ 6,676,402</u>	<u>\$ 7,751,917</u>

Advances for construction represent refundable advances paid by the members. This amount is refunded over 5 to 10 years based on an agreement with the members. To the extent amounts remain after 5 to 10 years, these amounts are no longer refundable and are credited to construction work in progress.

Note 10: Employee Benefit Plans

The Cooperative has a defined benefit pension plan covering substantially all employees. The plan is administered by the National Rural Electric Cooperative Association (NRECA). In this multiemployer plan, which is available to all member cooperatives of NRECA, plan assets are not determined or allocated separately by individual employers. The Cooperative makes annual contributions to the plan equal to the amounts accrued for pension expense. Contributions to the plan were approximately \$1,681,000 and \$1,553,000 for the years ended December 31, 2011 and 2010, respectively.

The Cooperative has a defined contribution 401(k) savings plan covering substantially all employees. Contributions to the plan plus investment earnings constitute retirement benefits. The Cooperative contributed approximately \$316,000 and \$310,000 to the plan for the years ended December 31, 2011 and 2010, respectively.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 11: Related-Party Transactions

The Cooperative is a member (and, therefore, part owner) of Arizona Electric Power Cooperative, Inc. (AEPCO). The Cooperative purchases a portion of electrical power from AEPCO.

Investments in associated enterprises include \$24,642,362 and \$21,999,988 of patronage capital in AEPCO at December 31, 2011 and 2010, respectively. During 2011, the Cooperative changed from an all-power requirements contract with AEPCO to a partial-power requirements contract which runs through 2035.

The Cooperative is a member (and, therefore, part owner) of Southwest Transmission Cooperative, Inc. (STC). The Cooperative purchases transmission services from STC. Investments in associated enterprises include \$1,306,530 and \$993,413 of patronage capital in STC at December 31, 2011 and 2010, respectively.

The Cooperative is also a member (and, therefore, part owner) of NRUCFC. The Cooperative finances utility plant additions (see *Note 2*) through NRUCFC. Investments in associated enterprises include \$418,221 and \$390,425 of patronage capital in NRUCFC at December 31, 2011 and 2010, respectively. In addition, investments in associated enterprises include \$1,148,511 and \$1,157,363 of capital term certificates at December 31, 2011 and 2010, respectively.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

General Litigation

The Cooperative is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, results of operations and cash flows of the Cooperative.

Materials Supply

The Cooperative is committed to purchase its electric stock supply, not to annually exceed \$1,250,000 from Border States Electric Supply until 2014.

Labor Agreement

Substantially all of the Company's employees are covered by collective bargaining agreements. Collective bargaining agreements covering approximately 80% of these employees expire in 2014.

TRICO Electric Cooperative, Inc.

Notes to Financial Statements

December 31, 2011 and 2010

Note 13: Fair Value of Financial Instruments

Investments in Associated Organizations

Investments in other cooperatives' equities are carried at cost, plus the Cooperative's share of the allocated equities, less patronage refunds and allocations. There is no market for these investments, since the securities are redeemable only by the issuing cooperative at established contract value. Because of the lack of marketability, the Cooperative believes it is not practicable to estimate the fair value of investments in associated enterprises.

Cash and Cash Equivalents

The carrying amount approximates fair value.

Accounts Receivable and Payable

The carrying amount approximates fair value.

Long-Term Debt and Line of Credit Agreements

The Cooperative's long-term debt and line of credit agreements were obtained at below market rates with unique repayment terms through their association with NRUCFC, RUS and FFB. Alternative lending programs with similar terms do not exist. Certain of the Cooperative's long-term debt was obtained through government-subsidized programs. Because of the lack of similar lending programs, the Cooperative believes it is not practicable to estimate the fair value of this debt.

NRUCFC Capital Term Certificates

The Cooperative believes it is not practicable to estimate fair value for these financial instruments given the lack of a market and their long holding period.

Note 14: Future Change in Accounting Principle

The Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) No. 2011-09, *Compensation – Retirement Benefits – Multiemployer Plans* (Topic 715-80): *Disclosure about an Employer's Participation in a Multiemployer Plan*, which requires additional disclosures about the commitments an employer has made as well as the overall status of such plans. The Cooperative expects to first apply the ASU during its fiscal year ending December 31, 2012. The impact of applying this ASU has not yet been determined.

Supplementary Information

Independent Accountants' Report on Accompanying Supplementary Information

Board of Directors
TRICO Electric Cooperative, Inc.
Marana, Arizona

We have audited the financial statement of TRICO Electric Cooperative, Inc. (the Cooperative) as of and for the year ended December 31, 2011, and have issued our report dated March 22, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2011 information, except for that portion marked unaudited, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 information, except for that portion marked unaudited, which we do not express an opinion on, is fairly stated in all material respects in relation to the financial statements as a whole.

The investments at December 31, 2010, on page 17, the Administrative and General Expenses for the year ended December 31, 2010, on page 20 and the Five-Year Comparative Data for the years ended December 31, 2007 through 2010 on page 21 are presented for purposes of additional analysis and are not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the 2011 financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

March 22, 2012

TRICO Electric Cooperative, Inc.

Electric Plant

Year Ended December 31, 2011

	Balance January 1, 2011	Additions	Retirements	Adjustments and Transfers	Balance December 31, 2011
Intangible Plant					
Organization	\$ 1,180	\$ -	\$ -	\$ -	\$ 1,180
Other Production Plant					
Land and land rights	-	-	-	32,631	32,631
Power plant equipment	-	224,936	-	-	224,936
	-	224,936	-	32,631	257,567
Transmission Plant					
Land and land rights	532,578	-	-	-	532,578
Station equipment	119,354	-	-	-	119,354
Poles and fixtures	1,813,970	11,314	(7,780)	-	1,817,504
Overhead conductors and devices	1,138,314	-	-	-	1,138,314
Total	3,604,216	11,314	(7,780)	-	3,607,750
Distribution Plant					
Land and land rights	101,005	-	-	-	101,005
Station equipment	12,455,101	2,674,102	(37,500)	(142,756)	14,948,947
Poles, towers and fixtures	20,638,442	675,857	(239,853)	11,090	21,085,536
Overhead conductors and devices	21,830,971	463,763	(141,934)	(62,993)	22,089,807
Underground conduit	5,258,375	48,379	-	-	5,306,754
Underground conductors and devices	81,953,983	520,278	(168,389)	52,109	82,357,981
Line transformers	25,941,773	88,077	(169,502)	13,466	25,873,814
Services	7,382,811	52,039	(201,464)	-	7,233,386
Meters	10,510,598	359,663	(1,268,889)	129,084	9,730,456
Installations on customers' premises	322,596	3,282	(6,348)	-	319,530
Street lights	1,560	1	-	-	1,561
Total	186,397,215	4,885,441	(2,233,879)	-	189,048,777
General Plant					
Land and land rights	734,514	-	-	-	734,514
Structures and improvements	10,399,970	155,278	-	-	10,555,248
Office furniture and equipment	1,679,576	66,542	(170,774)	-	1,575,344
Transportation equipment	4,443,701	367,146	(64,568)	-	4,746,279
Store equipment	294,044	-	-	-	294,044
Tools, shop and garage equipment	542,097	38,267	-	(2,324)	578,040
Laboratory equipment	793,886	14,128	(31,915)	2,324	778,423
Power-operated equipment	621,146	217,401	-	-	838,547
Communications equipment	540,735	19,854	-	-	560,589
Miscellaneous equipment	130,090	39,184	-	-	169,274
Total	20,179,759	917,800	(267,257)	-	20,830,302
Total Classified Electric Plant in Service	210,182,370	6,039,491	(2,508,916)	32,631	213,745,576
Electric Plant Held for Future Use	198,972	-	-	(32,631)	166,341
Construction Work In Progress	4,620,242	2,355,629	-	-	6,975,871
Total utility plant	<u>\$ 215,001,584</u>	<u>\$ 8,395,120</u>	<u>\$ (2,508,916)</u>	<u>\$ -</u>	<u>\$ 220,887,788</u>

TRICO Electric Cooperative, Inc.
Accumulated Provision for Depreciation and Amortization
Year Ended December 31, 2011

	Balance January 1, 2011	Depreciation and Amortization Accruals	Retirements	Balance December 31, 2011
Other Production Plant	\$ -	\$ 945	\$ -	\$ 945
Transmission Plant	888,407	84,552	10,479	962,480
Distribution Plant	39,946,893	6,385,949	2,326,271	44,006,571
General Plant	8,021,646	838,715	254,760	8,605,601
Total Classified Electric Plant in Service	48,856,946	7,310,161	2,591,510	53,575,597
Retirement Work in Progress	<u>(75,475)</u>	<u>-</u>	<u>49,420</u>	<u>(124,895)</u>
	<u>\$ 48,781,471</u>	<u>\$ 7,310,161</u>	<u>\$ 2,640,930</u>	<u>\$ 53,450,702</u>
		(1)	(2)	
(1) Charged to depreciation and amortization expense		\$ 6,383,401		
Charged to clearing and other deductions		<u>926,760</u>		
		<u>\$ 7,310,161</u>		
(2) Cost of units retired			\$ 2,347,515	
Add: Cost of removal			317,546	
Less: Salvage and other credits			<u>(24,131)</u>	
Loss due to retirement			<u>\$ 2,640,930</u>	

TRICO Electric Cooperative, Inc.

Investments

December 31, 2011 and 2010

	2011	2010
Investments in Associated Enterprises		
Memberships		
National Rural Utilities Cooperative Finance Corporation	\$ 1,000	\$ 1,000
National Rural Electric Cooperative Association	10	10
National Information Systems Cooperative	25	25
Grand Canyon State Electric	100	100
National Cooperative Service Corporation	100	100
National Rural Telecommunications Cooperative	1,000	1,000
Southwest Transmission Cooperative	100	100
Sierra Southwest Cooperative	100	100
Patronage capital		
Arizona Electric Power Cooperative, Inc.	24,642,362	21,999,988
Southwest Transmission Cooperative	1,306,530	993,413
National Rural Utilities Cooperative Finance Corporation	418,221	390,425
National Information Systems Cooperative	103,635	82,379
National Rural Telecommunications Cooperative	31,941	32,184
Capital term certificates		
National Rural Utilities Cooperative Finance Corporation	1,148,511	1,157,363
Capital Stock		
Federated Rural Electric Insurance Corporation – Preferred E Stock	157,323	145,238
Statewide Organizations		
Grand Canyon State Electric building fund	164,619	-
Total investments in associated organizations	27,975,577	24,803,425
Other Investments		
Cash value annuities	119,316	136,653
Fuel deposits and state compensation deposit	11,130	14,784
Other	8,000	8,000
	138,446	159,437
Total investments	\$ 28,114,023	\$ 24,962,862
Temporary Cash Investments		
AEPCO prepaid power payout	\$ -	\$ 2,500,000

TRICO Electric Cooperative, Inc.

Patronage Capital

Year Ended December 31, 2011

Year	Assignable	Assigned	Balance
1989	\$ -	\$ 474,627	\$ 474,627
1990	-	657,959	657,959
1991	-	339,560	339,560
1992	-	886,225	886,225
1993	-	1,202,722	1,202,722
1994	-	647,857	647,857
1995	-	1,513,311	1,513,311
1996	-	1,033,556	1,033,556
1997	-	853,976	853,976
1998	-	2,215,777	2,215,777
1999	-	2,444,787	2,444,787
2000	-	2,354,627	2,354,627
2001	-	3,830,104	3,830,104
2002	-	3,783,996	3,783,996
2003	-	2,383,350	2,383,350
2004	-	898,317	898,317
2005	-	1,805,844	1,805,844
2006	-	3,317,593	3,317,593
2007	-	2,535,658	2,535,658
2008	-	6,042,459	6,042,459
2009	-	8,086,766	8,086,766
2010	-	6,095,478	6,095,478
2011	6,902,148	-	6,902,148
	<u>\$ 6,902,148</u>	<u>\$ 53,404,549</u>	<u>\$ 60,306,697</u>

TRICO Electric Cooperative, Inc.
RUS, FFB and NRUCFC Mortgage Notes
December 31, 2011

RUS Mortgage Notes							
Note Number	Date of Note	Interest Rate	Principal Amount	Deferred Interest	Amount Unadvanced	Principal Repayments	Net Obligation
Notes paid in full			\$ 38,124,986	\$ -	\$ -	\$ 38,124,986	\$ -
1B280	11/10/1980	5.000%	1,673,000	-	-	1,319,319	353,681
1B282	11/10/1980	5.000%	1,673,000	-	-	1,319,320	353,680
1B290	3/25/1986	5.000%	1,562,000	-	-	859,130	702,870
1B292	3/25/1986	5.000%	1,562,000	-	-	859,130	702,870
1B300	8/25/1989	5.000%	2,933,500	-	-	1,249,878	1,683,622
1B302	8/25/1989	5.000%	2,933,500	-	-	1,249,878	1,683,622
1B310	9/22/1992	5.000%	2,698,000	-	-	893,433	1,804,567
1B315	9/22/1992	5.000%	2,698,000	-	-	893,433	1,804,567
1B320	10/25/1994	5.750%	1,966,000	-	-	492,571	1,473,429
1B325	10/25/1994	5.500%	1,960,000	-	-	497,591	1,462,409
1B330	7/1/1997	5.120%	3,955,000	-	-	802,333	3,152,667
1B335	7/1/1997	4.620%	3,695,000	-	-	772,460	2,922,540
1B336	3/1/2001	5.500%	260,000	-	-	45,922	214,078
1B351	3/1/2002	5.000%	6,000,000	-	-	690,245	5,309,755
1B352	3/1/2002	5.000%	8,500,000	-	-	977,847	7,522,153
1B354	3/1/2002	5.000%	8,543,000	-	-	936,718	7,606,282
1B360	3/1/2002	5.000%	3,000,000	-	-	223,838	2,776,162
1B363	8/2/2004	5.000%	1,000,000	-	-	74,613	925,387
1B364	8/2/2004	5.000%	2,000,000	-	-	149,225	1,850,775
1B365	8/2/2004	5.000%	3,000,000	-	-	223,838	2,776,162
1B366	8/2/2004	5.000%	1,000,000	-	-	74,613	925,387
1B368	8/2/2004	5.000%	2,000,000	-	-	149,225	1,850,775
1B560	8/2/2004	5.000%	2,000,000	-	-	149,225	1,850,775
1B561	8/2/2004	5.000%	3,000,000	-	-	223,838	2,776,162
1B562	8/2/2004	5.000%	1,000,000	-	-	73,407	926,593
1B563	8/2/2004	5.000%	1,000,000	-	-	72,748	927,252
1B564	8/2/2004	5.000%	1,500,000	-	-	107,309	1,392,691
1B565	8/2/2004	5.000%	2,000,000	-	-	141,706	1,858,294
1B566	8/2/2004	5.000%	2,000,000	-	-	139,284	1,860,716
1B567	8/2/2004	5.000%	2,000,000	-	-	138,207	1,861,793
1B568	8/2/2004	5.000%	2,000,000	-	-	134,732	1,865,268
1B660	8/2/2004	5.000%	2,000,000	-	-	133,598	1,866,402
1B661	8/2/2004	5.000%	2,000,000	-	-	130,820	1,869,180
1B662	8/2/2004	5.000%	2,000,000	-	-	129,631	1,870,369
1B663	8/2/2004	5.000%	3,000,000	-	-	190,275	2,809,725
1B664	8/2/2004	5.000%	3,000,000	-	-	188,409	2,811,591
1B666	8/2/2004	5.000%	1,500,000	-	-	88,045	1,411,955
1B667	8/2/2004	5.000%	1,000,000	-	-	58,002	941,998
1B668	8/2/2004	5.000%	1,000,000	-	-	54,934	945,066
1B760	8/2/2004	5.000%	1,500,000	-	-	79,103	1,420,897
1B761	8/2/2004	5.000%	1,748,000	-	-	89,700	1,658,300
			137,984,986	-	-	55,202,519	82,782,467
Cushion of credit			-	-	-	-	(1,000,000)
Total RUS			\$ 137,984,986	\$ -	\$ -	\$ 55,202,519	\$ 81,782,467
FFB Mortgage Notes							
F0010	10/20/2008	4.360%	2,000,000	-	-	42,408	1,957,592
F0015	1/21/2008	3.623%	1,000,000	-	-	24,506	975,494
F0020	3/23/2009	3.499%	1,500,000	-	-	37,643	1,462,357
F0025	5/19/2009	4.004%	2,500,000	-	-	56,888	2,443,112
F0030	7/17/2009	4.283%	1,500,000	-	-	32,299	1,467,701
F0035	7/22/2011	3.638%	15,000,000	-	-	85,651	14,914,349
F0040	9/1/2011	3.119%	3,000,000	-	-	5,962	2,994,038
F0045	11/10/2011	2.558%	10,000,000	-	-	-	10,000,000
Total FFB			\$ 36,500,000	\$ -	\$ -	\$ 285,357	\$ 36,214,643
NRUCFC Mortgage Notes							
9012	6/30/1978	5.900%	6,861,000	-	-	6,824,100	36,900
9016	9/30/1990	6.040%	1,509,000	-	-	1,145,290	363,710
9017	12/31/1985	6.180%	1,380,412	-	-	714,637	665,775
9018	6/30/1989	6.220%	2,618,750	-	-	1,005,008	1,613,742
9019	9/22/1992	6.260%	2,409,375	-	-	810,426	1,598,949
9020	10/25/1994	6.260%	1,685,000	-	-	421,071	1,263,929
9021	7/1/1997	6.250%	3,390,000	-	-	611,626	2,778,374
9024009	8/21/2003	4.950%	97,873	-	-	85,022	12,851
9024010	8/21/2004	5.150%	10,784	-	-	8,214	2,570
Total NRUCFC			\$ 19,962,194	\$ -	\$ -	\$ 11,625,394	\$ 8,336,800

Net obligation includes \$3,316,612 due within one year and classified as a current liability on the balance sheet.

TRICO Electric Cooperative, Inc.

Administrative and General Expenses Years Ended December 31, 2011 and 2010

	2011	2010	Increase (Decrease)
Administrative and general salaries	\$ 1,741,473	\$ 1,601,139	\$ 140,334
Office supplies and expenses	720,621	655,362	65,259
Outside services employed	813,618	709,221	104,397
Property insurance	-	374	(374)
Injuries and damages	285,157	315,447	(30,290)
Employee pensions and benefits	108,037	94,666	13,371
Annual meeting	8,050	8,738	(688)
Miscellaneous and general expenses	652,875	605,364	47,511
Regulatory commission expense	191,882	209,396	(17,514)
Maintenance of general plant	<u>504,664</u>	<u>440,594</u>	<u>64,070</u>
Total	<u>\$ 5,026,377</u>	<u>\$ 4,640,301</u>	<u>\$ 386,076</u>

TRICO Electric Cooperative, Inc.
Five-Year Comparative Data
Years Ended December 31, 2007 through 2011

	Years Ended				
	2011	2010	2009	2008	2007
Operating Revenues					
Residential	\$ 58,470,799	\$ 62,092,759	\$ 58,436,925	\$ 51,015,245	\$ 50,027,353
Irrigation	107,425	127,732	181,276	172,888	261,319
Commercial and industrial	28,270,520	28,364,197	28,223,089	24,429,701	22,405,623
Public buildings and other authorities	90,048	74,945	51,219	44,947	44,053
Sales for resale	116,241	895	9,809	18,205	10,144
(Over) under billed power cost	(716,703)	681,924	(1,202,540)	1,251,944	122,219
Rent from electric property	291,082	353,125	325,457	307,961	284,471
Other operating revenues	1,204,244	1,090,678	1,094,360	1,115,843	1,185,771
Total operating revenues	<u>87,833,656</u>	<u>92,786,255</u>	<u>87,119,595</u>	<u>78,356,734</u>	<u>74,340,953</u>
Operating Expenses					
Purchased power	53,890,094	59,747,134	58,169,937	51,809,610	48,361,836
Production power	14,479	-	-	-	-
Transmission	45,713	309,260	59,292	39,496	42,193
Distribution – operation	6,558,259	6,221,256	5,938,071	5,725,857	5,319,043
Distribution – maintenance	1,643,551	1,665,111	1,484,852	1,752,675	1,915,020
Customer accounts	2,669,470	2,838,200	2,722,526	2,397,115	2,456,001
Customer service and information	757,246	697,834	527,947	526,881	537,808
Administrative and general	5,026,377	4,640,301	3,793,060	3,393,487	3,738,625
Depreciation and amortization	6,383,401	6,445,508	6,023,242	5,811,648	5,287,127
Taxes	(113)	(401)	525	138	(65)
Other interest	31,490	4,778	32,707	80,846	56,679
Other deductions	891,065	255,761	161,383	210,652	393,872
Total operating expenses	<u>77,911,032</u>	<u>82,824,742</u>	<u>78,913,542</u>	<u>71,748,405</u>	<u>68,108,139</u>
Operating Margins Before Fixed Charges	<u>9,922,624</u>	<u>9,961,513</u>	<u>8,206,053</u>	<u>6,608,329</u>	<u>6,232,814</u>
Fixed Charges					
Interest on long-term debt	<u>6,281,573</u>	<u>6,492,483</u>	<u>6,546,805</u>	<u>6,366,174</u>	<u>5,909,101</u>
Operating Margins After Fixed Charges	<u>3,641,051</u>	<u>3,469,030</u>	<u>1,659,248</u>	<u>242,155</u>	<u>323,713</u>
Capital credits	<u>3,061,081</u>	<u>2,461,716</u>	<u>6,307,832</u>	<u>8,370,342</u>	<u>2,058,437</u>
Net Operating Margins	<u>6,702,132</u>	<u>5,930,746</u>	<u>7,967,080</u>	<u>8,612,497</u>	<u>2,382,150</u>
Nonoperating Margins					
Interest income	78,572	102,930	83,765	117,995	161,158
Other nonoperating income	121,444	70,879	59,594	8,608	12,007
	<u>200,016</u>	<u>173,809</u>	<u>143,359</u>	<u>126,603</u>	<u>173,165</u>
Net Margins	<u>\$ 6,902,148</u>	<u>\$ 6,104,555</u>	<u>\$ 8,110,439</u>	<u>\$ 8,739,100</u>	<u>\$ 2,555,315</u>
Miscellaneous statistics					
Customers at end of year *	40,254	39,688	39,328	38,542	38,119
MWH sales *	647,788	619,772	632,532	622,867	605,300
Times interest earned ratio	2.10	2	2	2	1
Debt service coverage	1.88	2	2	2	2
Equity to total assets	31.89%	29.78%	27.67%	25.07%	22.21%
Equity to total capitalization	34.67%	32.63%	30.28%	27.54%	24.43%

* Unaudited